TORONTO

This bulletin is one in a series of background bulletins to the Official Plan Review. It provides an analysis of changes in household composition and housing occupancy between 1996 and 2006. A copy of this bulletin can be found on the City of Toronto's website at toronto.ca/planning.

profile TORONTO

August 2012

Trends in Housing Occupancy

Highlights

- Housing in Toronto has been driven by broad changes in the composition of the population. These include changes in age, household type, size, social trends, housing preferences, past and present development trends.
- The City's population is aging. Over the past decade, households aged 25-39 years, a group typically responsible for a large share of new household formation, decreased by 12% whereas households 40 to 59 years grew by 25% and those 75 years of age and older increased by 40%.
- The Baby Boomer households aged 40-59 years in 2006 compose such a significant group that small shifts in their housing occupancy trends will continue to have a notable impact on market trends.
- Between 1996 and 2006, demand for ownership dwellings increased by over 100,000 units and for households in most age groups. The number of households living in high-rise apartments, especially condominiums, more than doubled in the 10-year period.
- Row and Townhouse complexes have provided a market niche particularly for households near or at retirement age while at the same time building equity. Toronto's population aged 60 to 74 years declined by nearly 5,800 residents over the decade, however the proportion of households aged 60 to 74 years living in Rows/Townhouses increased by one-third.
- Housing demand in Toronto is increasingly affected by non-family households, especially by the young and the elderly who are increasingly living alone. Of the 63% increase in proportion of households living in high-rise apartments, almost one-half were single persons living alone or sharing accommodation. Overall, the distribution of household types is fairly stable.
  - Changes in the average number of persons per household are considerably more varied than the decline in the overall average would suggest.
  - Non-family household size in newer high-rise stock is about the same as that found in older high-rise stock;
  - Average household sizes have changed only slightly between 1996 and 2006;
  - Average household size is beginning to rise in low-rise and ground-related housing.
- The arrival of immigrants to the City as well as the influx of young singles from the GTA regions, and the movement of families to the rest of the GTA, have been the dominant trends in migration for the last few decades. These trends are expected to continue.
- Incomes of renter households have not kept pace with the cost of the housing between 1996 and 2006. In 2006, 47.0% of renter households were spending 30% or more of household income on housing costs as compared to 27.7% of owners, and with much lower incomes overall as the renter median income was half that of owners.
- Despite the trend toward high-rise apartment condominium units, demand for all types of housing in Toronto remains strong.

Introduction

Toronto is a diverse city expected to grow to over three million people by 2031. With population growth comes an added demand for housing. This bulletin outlines recent trends in housing occupancy by identifying current housing patterns and the demographic characteristics of its households. This analysis relates shifts in housing occupancy to a number of underlying factors, such as population age and migration, household type and size, and housing affordability and supply. An examination of occupancy rates between 1996 and 2006 reveals the housing choices made by Toronto households over the decade and lends insight into how the patterns of occupancy may change in the future. The analysis is based on data about private households living in occupied private dwellings as profiled in the Census of Canada for 1996, 2001 and 2006.

To understand how we organize ourselves into households, we look at the characteristics of the "Primary Household Maintainer" (PHM) which is determined by Statistics Canada to be the first person listed on the Census form of a household who pays the rent, mortgage, taxes or other household expenses. This person is considered to have the most influence over the household's choice of housing and is sometimes referred to as the "head of household". The PHM is used here as a proxy or delegate for all members of a household and the age of the PHM has been taken as an indicator of the life cycle age of the household. Thus, occupancy rates of PHMs represent the housing decisions of households at various stages as they age, and how their housing needs change. Throughout this bulletin, the use of terms "age of the household" or "immigration status of the household" is a reference to the characteristics of the Primary Household Maintainer.

Results in this Bulletin are based on the 1996, 2001 and 2006 Census of Canada unless otherwise indicated. Totals vary slightly from table to table based on tabulations and custom tabulations provided by Statistics Canada. Due to concerns with data on the types of dwellings in the 2006 Census, the categories have been regrouped to facilitate comparison across all three points in time (see the Appendix).[1]

Demand and Supply 1996-2006

Over the ten years from 1996 to 2006, Toronto's population grew by 4.9% while households grew at a rate of 8.4%. Toronto had 979,310 dwelling units in 2006, an increase of 75,725 occupied units from 903,585 in 1996 (see Figure 1 and Table 1). The growth in households relative to population reflects changes in household composition and mix of dwellings occupied.

The construction of substantial numbers of apartments have contributed to, and reflect, more households living in higher density settings. Apartments accounted for 63% of the decade's newly occupied units. About 37% of the City's

Figure 1: Occupancy Rates by Dwelling Type 1996, 2001, 2006

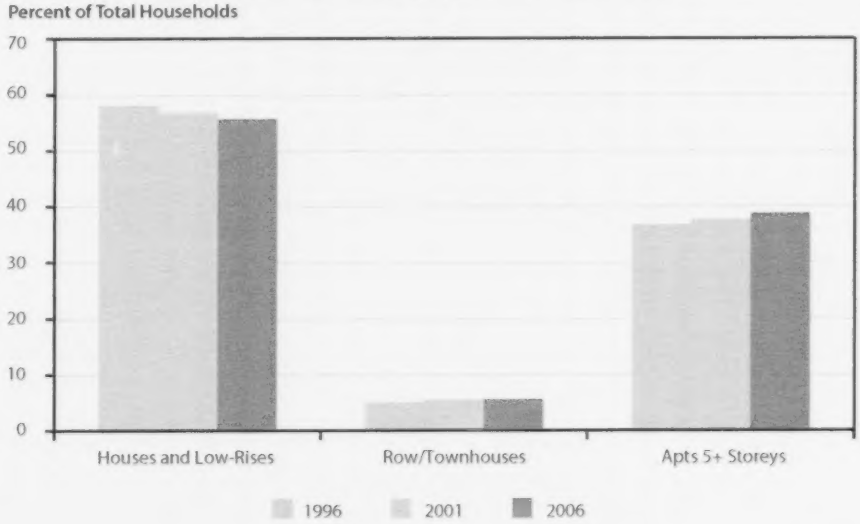


Table 1: Households by Dwelling Type, 1996, 2001, 2006

	1996		2001		2006		Absolute Change			Percentage Change		
Dwelling Type	Dwellings	%	Dwellings	%	Dwellings	%	1996-2001	2001-2006	1996-2006	1996-2001	2001-2006	1996-2006
Houses and Low-Rises	525,215	58.1	535,765	56.8	544,930	55.6	10,550	9,165	19,715	2.0	1.7	3.8
Row/Townhouses	46,440	5.1	52,315	5.5	54,685	5.6	5,875	2,370	8,245	12.7	4.5	17.8
Apts 5+ Storeys	331,930	36.7	354,995	37.6	379,695	38.8	23,065	24,700	47,765	6.9	7.0	14.4
Total	903,585	100.0	943,075	100.0	979,310	100.0	39,490	36,235	75,725	4.4	3.8	8.4

[1] Data from the 2011 Census and the new National Household Survey about households, structural types of dwellings, income and shelter costs are not yet available.

households occupied high-rise apartments in 1996, and nearly 39% did so ten years later. Meanwhile, the share of all households living in houses and low-rise units declined slightly, although the absolute number of households in these types of units actually increased by 3.8% as part of the City's overall growth and development.

Housing Supply

Toronto's housing stock provides a wide range of dwelling types and opportunities to match the diversity of households in the City. Historically, Toronto's supply of low density, ground-related housing was built to accommodate growing families with children, while high-rise apartments were developed to accommodate smaller, often lower income, households. The continuing reurbanization of Toronto has led to the addition of more high-rise ownership apartments, shifting the mix of housing of various types and sizes. In 2006, more than half of Toronto's stock was comprised of detached houses and low-rise apartments; nearly 40% were high-rise apartments (of 5 or more storeys), while row/townhouses accounted for 6% of the total stock (see Figure 2).

Figure 2: Distribution of Housing Stock, Toronto and the Rest of the GTA, 2006

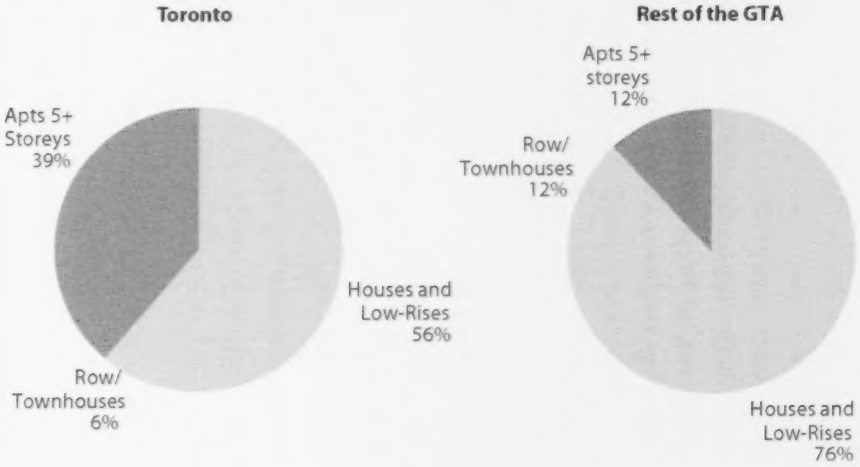
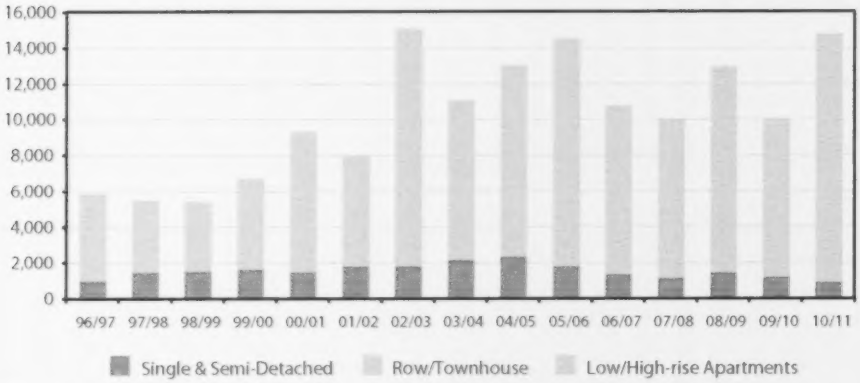


Figure 3: Housing Completions 1996-2011



Note: Each year represents May-December plus January-April, to correspond to the Census years. Completions represent only new units while occupancy reported by the Census reflects net units.

Source: Canada Mortgage and Housing Corporation, Custom Tabulation, 2012.

In comparison to Toronto, housing in the rest of the Greater Toronto Area (GTA) consists largely of houses and relatively few apartments (see Figure 2). Almost 75% of housing completions 1996-2006 in the rest of the GTA have been single and semi-detached houses suitable for families with children.

In Toronto, low- and high-rise apartments accounted for 70% of all the housing completions over the past decade (see Figure 3). Condominium apartment units have out-stripped all other forms of housing construction. These units have been built and sold at a range of prices to accommodate the changing nature of Toronto households.

Despite the surge in condominium development, demand for Toronto's ground-related housing remains strong. Between 1996 and 2006, 15% of all housing completions were a mix of single and semi-detached houses, row and townhouses, although many replaced older houses. However, in the last five years, the share of ground-related housing has dropped to 10% of all dwelling units built. Of the residential development proposals received by the City between July 2006 and June 2011 and still active, only 7.0% represent ground-related units.

The supply and distribution of housing stock throughout Toronto's regional housing market has been shaped by past development trends, as much as it has by recent development trends. These trends have been driven by broad changes occurring in the population - changes in age structure, household composition, size, social trends, economics, and housing preferences. Housing in Toronto was developed to meet the needs of the households who occupied it at the time it was built, but then is carried into the future and appeals to new generations of occupants with similar needs. As a result, Toronto's existing housing stock as well as new development projects appeal to households with matching characteristics from the larger region.

These changes have created an attractive and distinctive housing market in Toronto in terms of its built form, age of housing stock, tenure mix, and the characteristics of the households who occupy the stock. These changes have lead to a surge in condominium development in Toronto, whereas in the rest of the GTA there has been an increase in single and semi-detached homes over the decade, a trend which is changing as cities and towns in the rest of the region become increasingly urban.

Toronto's housing stock continues to evolve. Present-day occupants of Toronto's older house forms have adjusted the available stock to suit their living arrangements. Large homes offer opportunities for accommodating smaller households, through conversions of houses to multiple units which can reduce carrying costs and sharing larger apartments to reduce individual rental costs. At the same time, new condominium apartments have come to represent an increasing share of units built and these apartments are decreasing in size. Property Assessment data indicates that share of new units that are condominium apartments has increased from 56% between 1997 and 2001 to 68% in the next five-year period and to 79% from 2007 to 2011. However, the average size of resale condominium apartments has declined from 1,126 square feet in 1996 to 883 square feet in 2011 (Urbanation, 2011, custom tabulation). As a result, the stock of housing has tended to move toward smaller units that cannot be easily modified and may not serve the same breadth of housing needs over time as did the older, larger units.

What Factors Affect Housing Demand?

The link between households and their choice of housing is complex and dynamic. As we age, our housing choice is influenced by different factors. Families with children, empty-nesters and households without children all signal different preferences to the market. Constraints on supply also come into play such as the cost of land, the relatively few opportunities to build substantial numbers of additional single and semi-detached units, and the relative affordability of prices and rents of new and old stock. The large proportion of the newly occupied units that are apartments is a result of characteristics of households which have sought out the new housing as well as a reflection of development opportunities, land development economics and the types of units being produced. The increase in the supply of housing over the decade, as evidenced by the increase in households which occupy it, is not simply due to population increase but is also an outcome of population change, aging and immigration, and changes to the composition and makeup of households.

More Boomers and More Elderly

People have a tendency to prefer one type of housing over another as they age and at different stages in their lives. Therefore, shifts in the age structure of Toronto's population influence the types of housing in demand over time.

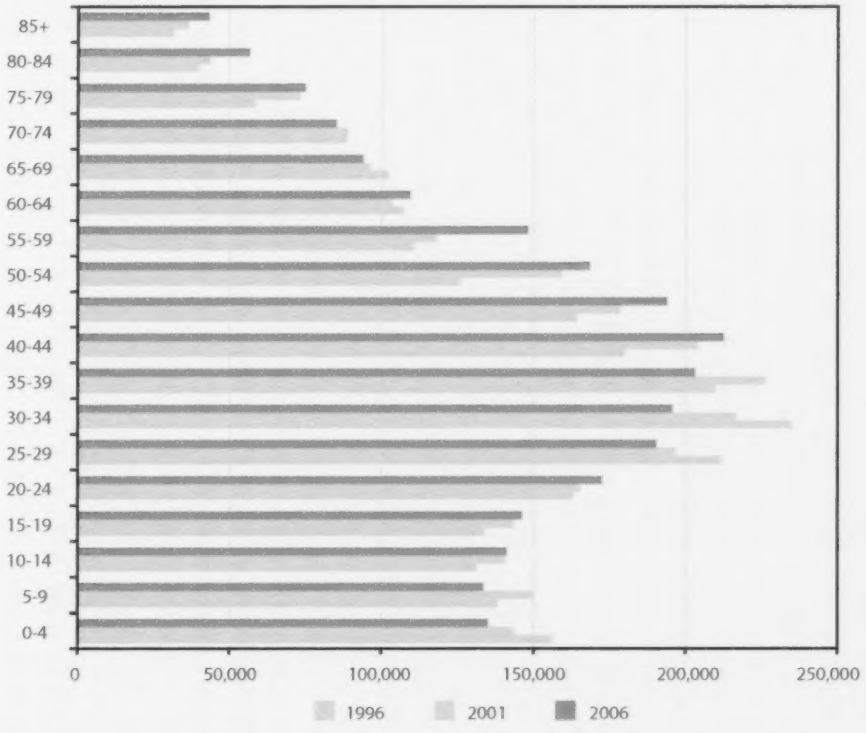
Population by Age

The City's population is aging (see Figure 4 and Tables B.1 and B.2 in the Appendix). Between 1996 and 2006, the two fastest growing age groups were the 80 to 84 year olds and those 85 years and older, which grew by 42% and 37% respectively. Those aged 40 to 59 years grew considerably over the decade, in part reflecting the "Baby Boom" generation as it moves through the population. This group grew by 142,685 residents, 25% over the decade, five times the growth rate of the population.

Population and Households

Figure 5 highlights the differences in Toronto's age structure over the decade and reveals distinct age groupings of

Figure 4: Population by Age Group



households with similar changes in the proportion of households. These age groupings and their patterns of growth and decline are important indicators because changes in our choice of housing are largely dependent upon age-related events. There is a large body of research which demonstrates that age-related events such as changes in marital status, health conditions, or the birth of a child greatly influence the type of housing demanded.

Changes in the relative size of the household groups by age trigger changes in occupancy rates by increasing the demand for both new and "move up" housing. Therefore, to explore the effect of growing and shrinking age groups on housing demand, the distribution of households were regrouped into age groups of the Primary Household Maintainer (PHM) which parallel the population changes (see Figure 6).

Households by Age

As the City's population ages, so do its households. The age structure of Primary Household Maintainers (PHMs) shows that households 25-39 years, an age group typically responsible for a large share of new household formation, decreased by 12% (see Table 2 and Figure 7). Households aged 40-59 years grew by 26% and those 75 years of age and older increased by 40%, experiencing the fastest growth rates of all household age groups in the City.

How do these changes in age affect the housing decisions of Toronto households?

Figure 5: Percent Change in Population by Age Group

Percent of Total Households

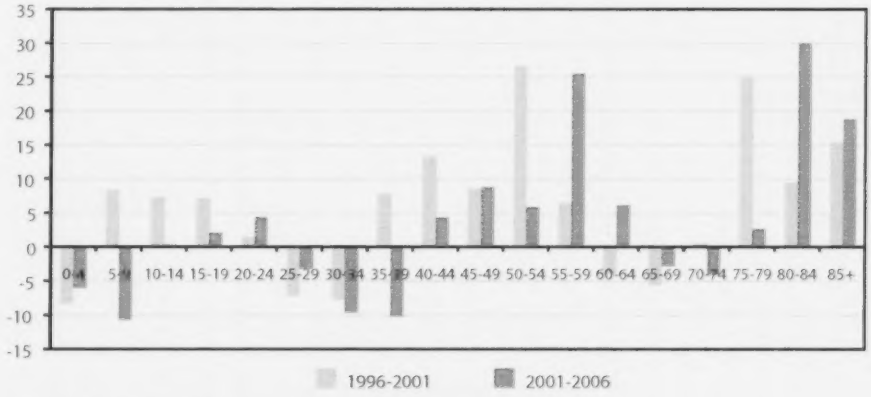


Figure 6: Percent Change in Households by Age Groups

Percent of All Households

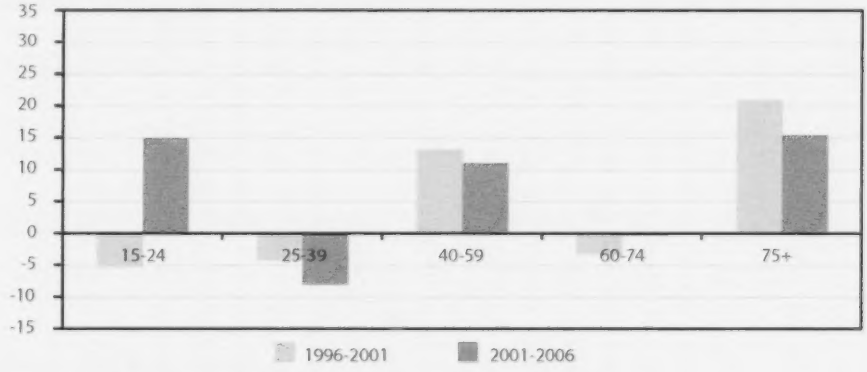


Figure 7: Households by Age of PHM, 1996, 2001, 2006

Number of Households

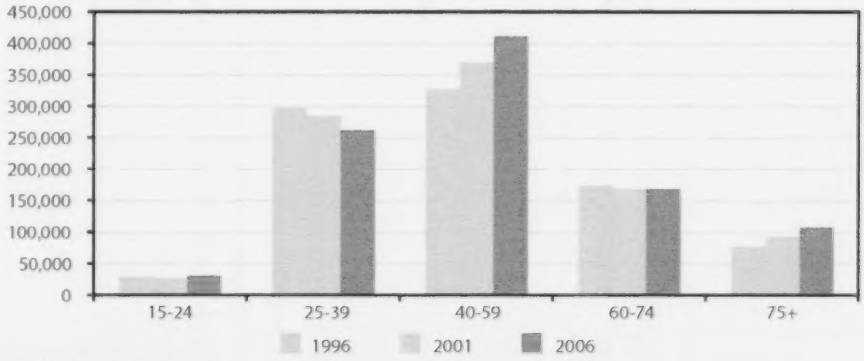


Table 2: Households by Age of Primary Household Maintainer

	1996		2001		2006		Absolute Change			Percent Change		
Age of PHM	Hhds	%	Hhds	%	Hhds	%	1996-2001	2001-2006	1996-2006	1996-2001	2001-2006	1996-2006
15-24	28,450	3.1	26,935	2.9	30,975	3.2	-1,515	4,040	2,525	-5.3	15.0	8.9
25-39	296,870	32.9	284,370	30.2	261,525	26.7	-12,500	-22,845	-35,345	-4.2	-8.0	-11.9
40-59	327,055	36.2	370,150	39.3	411,030	42.0	43,095	40,880	83,975	13.2	11.0	25.7
60-74	174,035	19.3	168,310	17.8	168,245	17.2	-5,725	-65	-5,790	-3.3	0.0	-3.3
75+	77,125	8.5	93,245	9.9	107,640	11.0	16,120	14,395	30,515	20.9	15.4	39.6
Total	903,535	100.0	943,010	100.0	979,415	100.0	39,475	36,405	75,880	4.4	3.9	8.4

Households by Age and Dwelling Type

There are clear, consistent, long-term patterns of housing consumption across each of the three time periods studied (see Table 3). There appears to be a tendency for households of certain ages to increasingly occupy one type of housing versus another. This suggests that different types of housing have different characteristics that appeal to households at different ages and life stages. While the overall occupancy rates reveal minor shifts (see Figure 8), the numbers of households and units involved are significant, as are the changes in the relative sizes of each age group by dwelling type.

High-rise apartments made up 6 of every 10 net new units added over the decade (see Figure 9), and there has been a shift into these units by households 15-24, 40-59 and 75 or more years of age (see Figure 10).

There has been continuing demand for houses and low-rise apartments. The decline in households aged 25 to 39 years occupying houses and low-rise units is largely offset by those 40-59 which have increased in the same types of units, reflecting the overall aging of the City's households and their aging in place (see Figure 10). For some households, these decreases also reflect changes in the timing of typical life markers such as remaining in the parental home for a longer period of time[2], extending education or saving

Table 3: Distribution of Households by Dwelling Type and Age of PHM

Age / Dwelling Type	Number of Households			1996 - 2006			Shares by Age Group			
	1996	2001	2006	Change	Percent Change	Percent of Net Change in All Hhds	1996	2001	2006	1996-2006
15-24										
Houses and Low-Rises	14,070	12,500	12,675	-1,395	-9.9	-1.8	49.4	46.4	40.9	-8.5
Row/Townhouses	1,210	940	1,030	-180	-14.9	-0.2	4.3	3.5	3.3	-0.9
Apartments 5+ Storeys	13,175	13,495	17,260	4,085	31.0	5.4	46.3	50.1	55.7	9.4
Total	28,455	26,935	30,965	2,510	8.8	3.3	100.0	100.0	100.0	
25-39										
Houses and Low-Rises	155,770	145,805	124,435	-31,335	-20.1	-41.4	52.5	51.3	47.6	-4.9
Row/Townhouses	15,620	15,245	14,580	-1,040	-6.7	-1.4	5.3	5.4	5.6	0.3
Apartments 5+ Storeys	125,460	123,335	122,455	-3,005	-2.4	-4.0	42.3	43.4	46.8	4.6
Total	296,850	284,385	261,470	-35,380	-11.9	-46.7	100.0	100.0	100.0	
40-59										
Houses and Low-Rises	202,690	221,225	244,845	42,155	20.8	55.7	62.0	59.8	59.6	-2.4
Row/Townhouses	21,700	26,095	28,395	6,695	30.9	8.8	6.6	7.0	6.9	0.3
Apartments 5+ Storeys	102,685	122,830	137,730	35,045	34.1	46.3	31.4	33.2	33.5	2.1
Total	327,075	370,150	410,970	83,895	25.7	110.8	100.0	100.0	100.0	
60-74										
Houses and Low-Rises	111,185	104,515	102,080	-9,105	-8.2	-12.0	63.9	62.1	60.7	-3.2
Row/Townhouses	6,565	7,715	8,705	2,140	32.6	2.8	3.8	4.6	5.2	1.4
Apartments 5+ Storeys	56,290	56,090	57,445	1,155	2.1	1.5	32.3	33.3	34.1	1.8
Total	174,040	168,320	168,230	-5,810	-3.3	-7.7	100.0	100.0	100.0	
75+										
Houses and Low-Rises	41,475	52,025	61,035	19,560	47.2	25.8	53.8	55.8	56.7	2.9
Row/Townhouses	1,340	2,115	2,450	1,110	82.8	1.5	1.7	2.3	2.3	0.5
Apartments 5+ Storeys	34,315	39,100	44,160	9,845	28.7	13.0	44.5	41.9	41.0	-3.5
Total	77,130	93,240	107,645	30,515	39.6	40.3	100.0	100.0	100.0	
All Households	903,550	943,030	979,280	75,730						

Note: The Percent of Net Change in All Households is the 1996-2006 change in households as a proportion of the net change in all households, 75,730. Differences versus Table 1 are due to rounding in various Census data sources.

[2] The number of children 25 years and over living at home has steadily increased. In 2006, there were 131,710 or 16.8% of all children at home, up from 112,125 or 15.0% in 1996.

Figure 8: Occupancy Rates

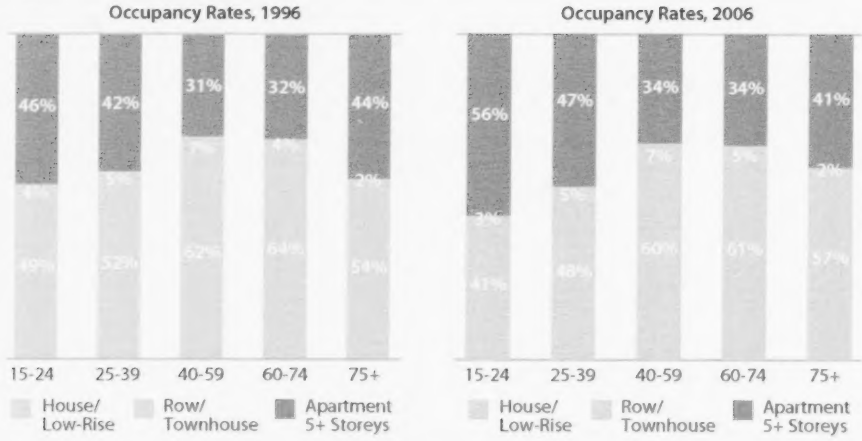
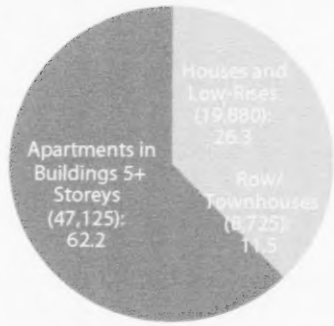
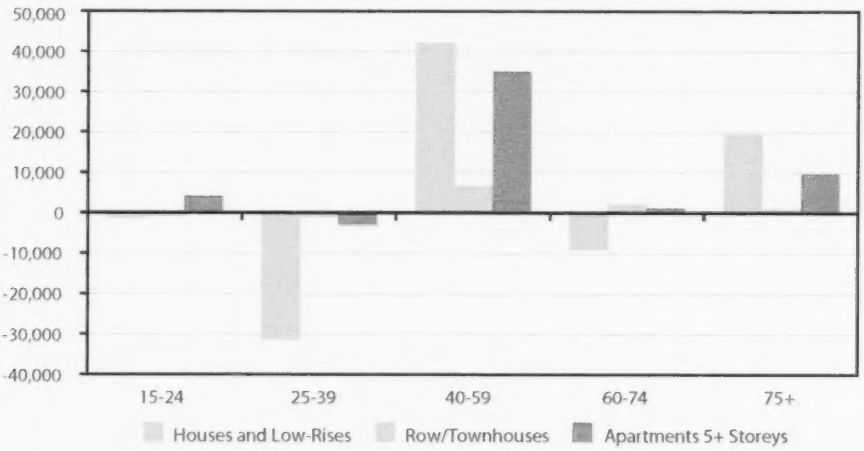


Figure 9: Percent of Net Change in Households by Dwelling Type, 1996-2006



Total Net Change in households: 75,730.

Figure 10: Change in Occupancy by Age of PHM and Dwelling Type, 1996-2006



to buy a home, thus delaying couple formation, childbearing and the forming of households of their own. Also for this group, housing availability and affordability may have played a role as the urban area expanded, offering a broader range of affordable housing choices across the GTA.

The increased share of households aged 40 to 59 years in high-rise apartments may also be attributed to changes in supply. However, the 26% increase in Baby Boomer households aged 40 to 59 years as a proportion of total households (per Figure 4), as well as certain aged-related life-events, such as preparing for retirement, downsizing and empty nests, are significant factors that have informed the shift to high-rise apartments.

The decline in the proportion of 60 to 74-year-old households living in low-rise housing can be partially explained by a 3.3% decrease in the total number of households of that age from 1996 to 2006. Row and townhouse complexes have provided a market niche for households near or at retirement age while at the same time building equity. Toronto's population aged 60 to 74 years declined by nearly 5,800 residents over the decade, however the proportion of households aged 60 to 74 years of age living in rows/townhouses increased by one-third.

People aged 70 to 74 years (the leading edge of the 60-to-74 year age group) are children of the Great Depression, a time when poor economic conditions lead to a decline in birth rates. The increase in households 75 years of age and older living in single and semi-detached housing and low-rise apartment units reflects Toronto's aging population, as well as the trend of home owners to age in place, which is particularly evident in Toronto's single detached housing stock. This is part of a current and ongoing national trend in which "[w]e can also expect to see growing demand for home adaptations and support services aimed at allowing ageing [sic] residents to remain living comfortably in their homes".[3]

For all age groups except households 75 years of age and older, a higher proportion of households has occupied high-rise apartments by the end of the decade (see Figure 11 and the shares by age group in Table 3). This is especially so for younger households. For households 75 years of age and older, the proportion of those living in detached houses and low-rises increased while the proportion in high-rise apartment units declined. This is not a shift out of high-rise apartments as almost 10,000 more households were living in these units by the end of the decade, but instead this growth was overmatched by the aging in place of younger households into this age group, adding almost 20,000 households in houses and low-rise units.

[3] CMHC 2011 *Canadian Housing Observer*, p. 62.

Figure 11: Change in Occupancy Rates by Age of PHM and Dwelling Type, 1996-2006

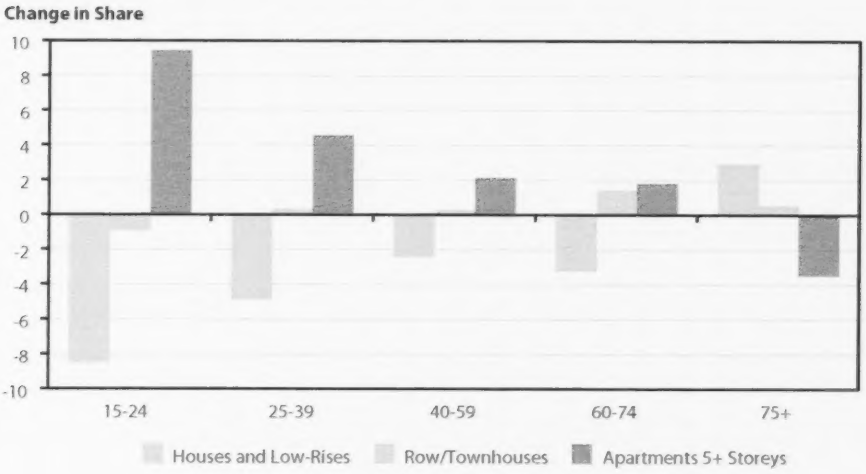
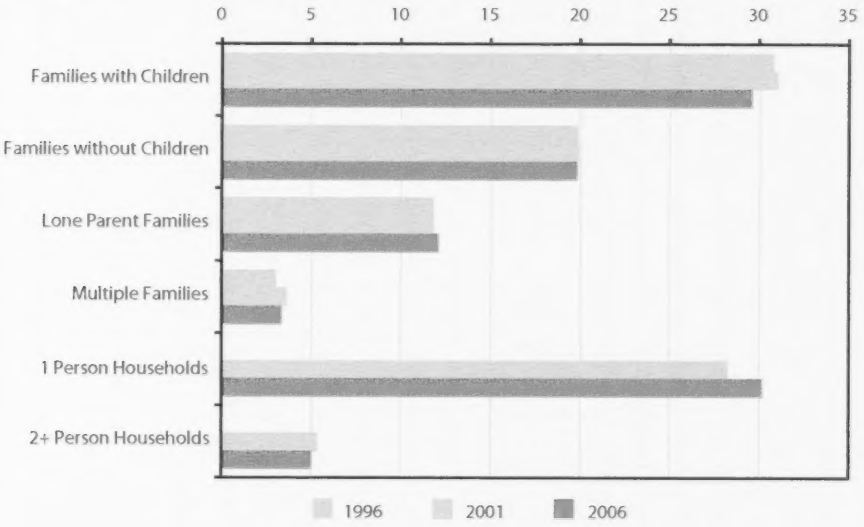


Figure 12: Households by Type, 1996, 2001, 2006



The most substantive changes are evident in households under the age of 40, characteristically a time of life when careers are building, incomes are rising, families are growing and many householders are looking to enter the housing market or trade up. For these households there is a marked trend away from ground-related housing and toward high-rise living. This shift is still present but less prominent for households over the age of 40 in 2006, perhaps indicating that these households were living in their preferred housing choice or waiting for retirement to move. The Baby Boomer households aged 40-59 years compose such a large group that small shifts in their housing occupancy trends will continue to have a big impact on market trends.

Household Type

In 2006, family households represented almost two-thirds of all households in the City. While their share of all households declined slightly over the decade, their number has increased (see Figure 12). Demand for housing suitable for families has been met in part by infill development of row/townhouses, by newly constructed low-rise apartment buildings that have replaced existing lower density housing units, and the turnover of ground-related housing. Land constraints and low turnover rates of the City's ground-related housing stock have contributed to a tight housing market. While some households, especially families, have relocated to elsewhere in the GTA in search of affordable ground-related housing, other families are also occupying an increasing number of Toronto's high-rise apartments.

Housing demand in Toronto is increasingly being affected by non-family households, especially by the young and the elderly who in turn are increasingly living alone. Non-family households represent a growing share of all types of households over the past decade, although the overall distribution is fairly stable (see Table 4). Between 1996 and 2006, non-family households accounted for 43% of the overall growth in households. Demand for housing suitable to smaller-sized households has been met largely though the condominium apartment market.

Household Type and Dwelling Type

A more varied mix of households are living in high-rise apartment units in 2006 than in 1996. The proportion of households living in high-rise apartments increased for all household types, except for those led by lone parents (see Table 5). As a result, in 2006 there were almost 380,000 households living in high-rise apartment units (see Figure 13).

The number of family households of all types in high-rise buildings increased by 23,905. There were 10,110 more families with children and 9,175 more families without children in high-rise units by the end of the ten-year period, followed by 3,315 additional lone-

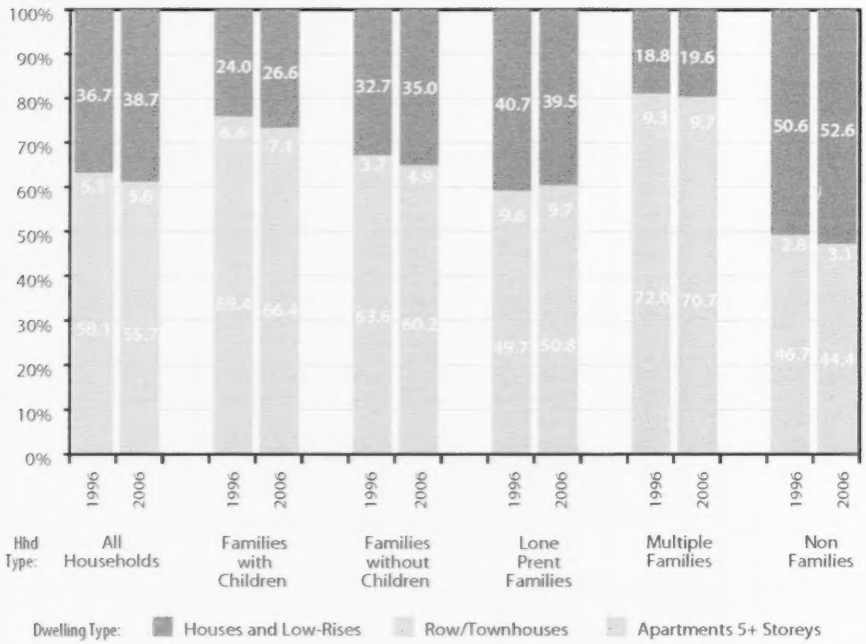
Table 4: Households by Type, 1996, 2001, 2006

Household Type	Households			Share			Percent Change			Absolute Change	
	1996	2001	2006	1996	2001	2006	1996-2001	2001-2006	1996-2006	1996-2006	Share
Family Households	591,240	626,475	634,865	65.4	66.4	64.8	6.0	1.3	7.4	43,625	57.5
Families with Children	278,045	292,815	289,645	30.8	31.0	29.6	5.3	-1.1	4.2	11,600	15.3
Families without Children	179,450	187,905	194,025	19.9	19.9	19.8	4.7	3.3	8.1	14,575	19.2
Lone Parent Families	106,635	111,615	118,555	11.8	11.8	12.1	4.7	6.2	11.2	11,920	15.7
Multiple Families	27,110	34,140	32,640	3.0	3.6	3.3	25.9	-4.4	20.4	5,530	7.3
Non-Family Households	312,345	316,605	344,565	34.6	33.6	35.2	1.4	8.8	10.3	32,220	42.5
1 Person Households	n/a	266,150	295,475	-	28.2	30.2	-	11.0	-	-	-
2+ Person Households	n/a	50,455	49,040	-	5.4	5.0	-	-2.8	-	-	-
Total	903,585	943,080	979,430	100.0	100.0	100.0	4.4	3.9	8.4	75,845	100.0

Table 5: Households by Type and Dwelling Type, 1996 to 2006

Dwelling Type	All House-holds	Families with Children	Families without Children	Lone Parent Families	Multiple Families	Non-Families	All House-holds	Families with Children	Families without Children	Lone Parent Families	Multiple Families	Non-Families
1996 Households & Shares												
Total Dwellings	903,575	278,050	179,450	106,630	27,105	312,340	100.0	100.0	100.0	100.0	100.0	100.0
Houses and Low-Rises	525,215	192,880	114,090	52,990	19,505	145,750	58.1	69.4	63.6	49.7	72.0	46.7
Row/ Townhouses	46,440	18,345	6,705	10,190	2,510	8,690	5.1	6.6	3.7	9.6	9.3	2.8
Apartments 5+ Storeys	331,920	66,825	58,655	43,450	5,090	157,900	36.7	24.0	32.7	40.7	18.8	50.6
2006 Households & Shares												
Total Dwellings	979,270	289,600	193,995	118,535	32,625	344,515	100.0	100.0	100.0	100.0	100.0	100.0
Houses and Low-Rises	545,060	192,200	116,735	60,250	23,080	152,795	55.7	66.4	60.2	50.8	70.7	44.4
Row/ Townhouses	55,160	20,465	9,430	11,520	3,150	10,595	5.6	7.1	4.9	9.7	9.7	3.1
Apartments 5+ Storeys	379,050	76,935	67,830	46,765	6,395	181,125	38.7	26.6	35.0	39.5	19.6	52.6
1996 - 2006 Changes												
Total Dwellings	75,695	11,550	14,545	11,905	5,520	32,175	100.0	100.0	100.0	100.0	100.0	100.0
Houses and Low-Rises	19,845	-680	2,645	7,260	3,575	7,045	26.2	-5.9	18.2	61.0	64.8	21.9
Row/ Townhouses	8,720	2,120	2,725	1,330	640	1,905	11.5	18.4	18.7	11.2	11.6	5.9
Apartments 5+ Storeys	47,130	10,110	9,175	3,315	1,305	23,225	62.3	87.5	63.1	27.8	23.6	72.2

Figure 13: Occupancy Rates by Household Type and Dwelling Type, 1996 and 2006



parent families in high-rises. These increases are significant as family households, and especially families with children, tend to occupy units with more bedrooms, particularly those with 3 or more bedrooms (see Table 6). In contrast, recent construction and the near-term supply do not foretell a corresponding number of larger units to accommodate this increasing demand. By 2006, Toronto households occupied 96,900 dwellings built in the preceding ten years of which 3 units of every 10 had 2 bedrooms and the same ratio had 3 or more bedrooms. Most of the new 3-bedroom units were in ground-related and low-rise buildings. Although 6 of every 10 new units built in that period were in high-rise buildings, only 4.1% of these apartments had 3 or more bedrooms. This is 2.3% or 1 in every 43 of all of the recent occupied dwellings (see Table 7).

Table 6: Household Type by Number of Bedrooms

	All Households	Husband-wife family household with children	Husband-wife family household without children	Lone parent family households	Multiple-family households	Non-family households: 1 person only	Non-family households: 2 or more persons
All Households	974,305	288,200	193,330	118,085	32,615	293,340	48,735
No bedroom	65,275	7,240	8,835	4,340	465	41,590	2,810
1 bedroom	230,615	25,805	43,845	15,910	1,535	134,265	9,250
2 bedrooms	258,000	64,040	58,790	42,290	4,760	66,460	21,665
3 or more bedrooms	420,415	191,115	81,865	55,550	25,850	51,025	15,010

Table 7: Occupied Private Dwellings with Period of Construction, 1996-2006

		Recent Dwellings				Percent of All Recent Dwellings				Percent of Dwellings by Type		
	All Recent Dwellings	Houses and Low-Rises	Row/ town houses	Apartments in buildings of 5+ storeys	All Recent Dwellings	Houses and Low-Rises	Row/ town houses	Apartments in buildings of 5+ storeys	All Recent Dwellings	Houses and Low-Rises	Row/ town houses	Apartments in buildings of 5+ storeys
Dwellings 1996-2006	96,900	30,080	11,640	55,065	100.0%	31.0%	12.0%	56.8%	100.0%	100.0%	100.0%	100.0%
No bedroom	7,445	1,160	225	6,050	7.7%	1.2%	0.2%	6.2%	7.7%	3.9%	1.9%	11.0%
1 bedroom	29,495	3,465	1,005	24,985	30.4%	3.6%	1.0%	25.8%	30.4%	11.5%	8.6%	45.4%
2 bedrooms	29,505	4,780	2,895	21,770	30.4%	4.9%	3.0%	22.5%	30.4%	15.9%	24.9%	39.5%
3 or more bedrooms	30,465	20,655	7,520	2,250	31.4%	21.3%	7.8%	2.3%	31.4%	68.7%	64.6%	4.1%

The bulk of the forthcoming supply is likely to be in the form of low- and high-rise apartments and will tend to have fewer bedrooms per unit on average than in the past. This reflects the overall decline in their average physical size. Over the five years between July 2006 and June 2011, the City received development proposals still considered active for just over 120,000 units, and of these, 31,822 units (26.5%) are proposed to have 2 bedrooms and just 6,880 units (5.7%) would have 3 or more bedrooms. The large majority of these proposed units are apartments, and of the proposed 93,426 apartment units, 26,066 (21.7% of all proposed units) would have 2 bedrooms but only 3,409 (2.8%) would have 3 or more. Not all units proposed are approved, and not all units approved are built. However, the residential development approvals "pipeline" is an indication of the potential supply over the next decade. It suggests that the supply of larger apartment units in the coming decade is unlikely to match the pattern of demand in 2006.

The number non-family households in high-rise buildings rose by 23,225. This is the single largest absolute increase of households by type in high-rises over the 10-year period. As a result, in 2006 more than one-half of all non-family households (181,125) were living in Toronto's high-rise apartment stock.

Household Size

Households by Number of Persons

Table 8 and Figures 14a and 14b reveal a notable increase in the number and share of persons living alone. As a result, today, smaller households comprised of one or two people are pushing up the demand for rental and ownership apartment units. Almost 6 in 10 of the 75,755 occupied high-rise apartments added between 1996 and 2006 were 1-person non-family households.

Average Number of Persons Per Household

The average number of persons per household (PPH) is a key factor used in planning the city's future. It links population and housing needs. Changes in average PPH over time highlight the impact of Toronto's changing population and the complex relationship between households and different types of dwellings at each stage of the household lifecycle.

Overall, Toronto households are becoming smaller. This is creating a change in the demand for different types of housing. In 1996, Toronto had an average of 2.60 persons per household. By 2006 the overall average PPH had declined to 2.52 persons (see Table 9).[4]

Table 8: Households by Size, 1996, 2001, 2006

	Households			Absolute Change			Share			Percent Change		
Household Size	1996	2001	2006	1996-2001	2001-2006	1996-2006	1996	2001	2006	1996-2001	2001-2006	1996-2006
1 person	251,930	266,630	295,825	14,700	29,195	43,895	27.9	28.3	30.2	5.8	10.9	17.4
2 persons	263,260	271,750	282,685	8,490	10,935	19,425	29.1	28.8	28.9	3.2	4.0	7.4
3 persons	149,615	156,795	161,440	7,180	4,645	11,825	16.6	16.6	16.5	4.8	3.0	7.9
4-5 persons	197,595	205,340	200,735	7,745	-4,605	3,140	21.9	21.8	20.5	3.9	-2.2	1.6
6+ persons	41,175	42,565	38,645	1,390	-3,920	-2,530	4.6	4.5	3.9	3.4	-9.2	-6.1
All Households	903,575	943,080	979,330	39,505	36,250	75,755	100.0	100.0	100.0	4.4	3.8	8.4

Figure 14a: Number of Households by Size

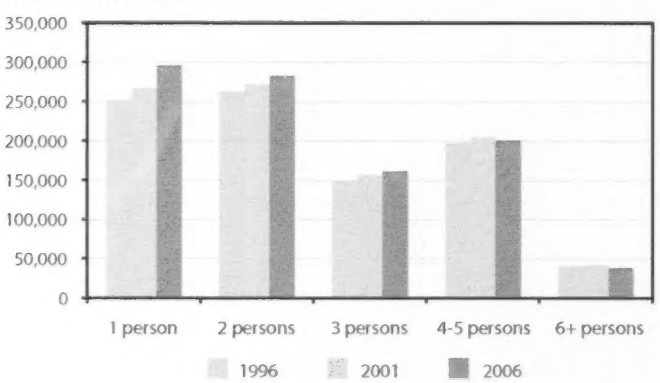
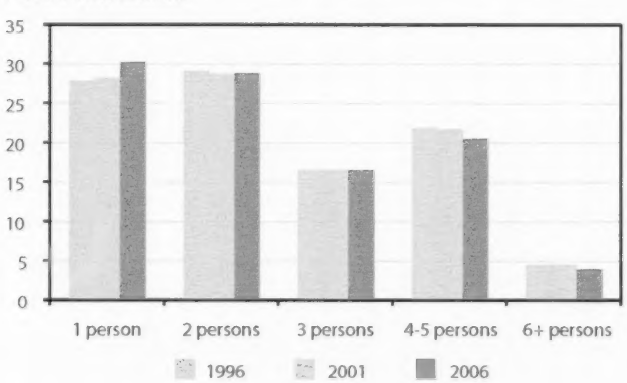


Figure 14b: Percent of Households by Size



[4] Initial 2011 Census results indicate that the average number of persons per occupied dwelling (PPU) has declined slightly from 2.56 in 2006 to 2.50 in 2011. Detailed Census results for households and types of dwellings are scheduled to be released by Statistics Canada in September 2012.

Table 9: Average Number of Persons per Household by Age of PHM

	Average PPH			Percent Change			Change in PPH		
Age of PHM	1996	2001	2006	1996-2001	2001-2006	1996-2006	1996-2001	2001-2006	1996-2006
15-24	2.18	2.14	1.99	-1.52	-7.07	-8.48	-0.03	-0.15	-0.18
25-39	2.67	2.63	2.48	-1.83	-5.53	-7.25	-0.05	-0.15	-0.19
40-59	3.02	3.02	2.94	-0.09	-2.50	-2.59	-0.00	-0.08	-0.08
60-74	2.19	2.19	2.16	-0.03	-1.48	-1.52	-0.00	-0.03	-0.03
75+	1.64	1.69	1.71	3.29	0.98	4.30	0.05	0.02	0.07
All Hhds	2.60	2.60	2.52	-0.26	-2.97	-3.22	-0.01	-0.08	-0.08

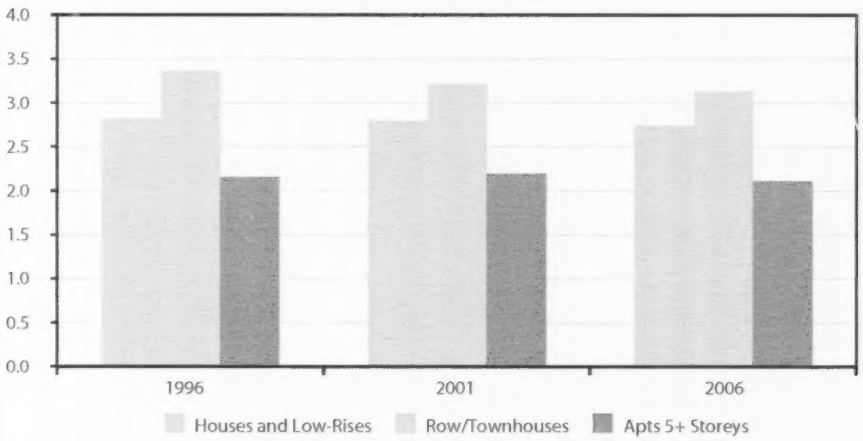
Changes in PPH are considerably more varied than the overall average would suggest. Younger households, which also tend to be new households, exhibited more substantial declines in average household size. However, the PPH has increased for some groups of households. Toronto's most elderly households, those 75 years of age and over, show an increase in PPH over the 10-year period. This may reflect increased longevity and better health overall, which in turn, may influence the desire and ability to continue to age in place.

The overall decline in average household size reflects the interaction of housing demand and housing supply. There have been noticeable changes in market conditions and the composition of Toronto households, reflected in more individuals living alone and fewer families with children. Households across the GTA and beyond have chosen the housing that is being built in the City, and that housing is a reaction to the economics of development and have contributed to the ongoing strong demand for Toronto housing. Toronto continues to grow. The housing market has responded by providing a variety of smaller units especially in high-rise apartments, making it feasible for singles to live on their own.

Average PPH by Dwelling Type

Over the decade, the average household size has declined for all types of dwelling (see Figure 15 and Table 10). The largest decline has been in row/townhouses, falling from an average of 3.36 persons per household in 1996 to 3.13 persons in 2006, attributable in part to changes in Toronto's age structure and the resultant changes in housing demand. Families with children are still the primary occupants of this type of housing.

Figure 15: Average Household Size by Dwelling Type



Average PPH by Period of Construction

There is a strong relationship between average household size and unit size. Larger-sized households seek out bigger dwellings, and smaller-sized households tend to occupy smaller dwellings. However, this relationship can be quite varied. Insofar as households tend to age in place, then by examining Toronto's housing of different vintages over the Census periods, we see the interaction between demographic change and the housing built in different decades (see Table 11).

Table 10: Average Household Size by Dwelling Type, 1996, 2001, 2006

	Average Household Size			Change			Percent Change		
Structure Type	1996	2001	2006	1996-2001	2001-2006	1996-2006	1996-2001	2001-2006	1996-2006
All Structures	2.60	2.60	2.52	0.00	-0.08	-0.08	0.00	-3.08	-3.08
Houses and Low-Rises	2.82	2.80	2.74	-0.02	-0.06	-0.08	-0.60	-2.21	-2.80
Row/Townhouses	3.36	3.21	3.13	-0.15	-0.08	-0.23	-4.44	-2.59	-6.91
Apts 5+ Storeys	2.16	2.20	2.11	0.04	-0.08	-0.04	1.84	-3.78	-2.01

Table 11: Average Household Size by Period of Construction and Dwelling Type

Age of Housing Stock	1996 Total	1996 Houses & Low-Rises	1996 Row & Townhouses	1996 Apts 5+ Storeys	2006 Total	2006 Houses & Low-Rises	2006 Row & Townhouses	2006 Apts 5+ Storeys
All Years	2.60	2.82	3.36	2.16	2.52	2.74	3.13	2.11
Before 1946	2.56	2.58	2.79	1.98	2.46	2.48	2.58	2.21
1946-1960	2.52	2.60	3.48	2.04	2.49	2.57	3.30	2.12
1961-1970	2.57	2.95	3.63	2.17	2.52	2.78	3.39	2.18
1971-1980	2.72	3.39	3.47	2.27	2.60	3.06	3.27	2.20
1981-1990	2.78	3.72	3.40	2.07	2.66	3.35	3.37	2.12
1991-1996	2.39	3.18	3.05	2.04	2.39	3.22	3.02	2.03
1996-2001					2.58	3.29	3.13	1.94
2001-2006					2.33	3.29	2.80	1.79

Note: Numbers in "green" indicate where the average PPH has increased for same dwelling type and period of construction from between 1996 and 2006. Numbers in "red" indicate where the average PPH has decreased between 1996 and 2006.

Average PPH is relatively similar in houses and low-rise dwellings built in various decades before 1961, a time of the post-war Baby Boom and strong population growth. In units built between 1961 and 1991, PPH values declined over the decade as household structures shifted towards families with fewer children, childless couples, empty nests, persons living alone, and smaller households in general. Since the early 1990s, average PPH has varied in houses and low-rise units. This is because dwelling sizes have been built to accommodate a wider range of family types such as parents with children, families with aging parents, adult children moving back home, as well as widows, empty nests and single parents. Over the decade, the variance in average PPH of units built at different times has become smaller.

Table 12: Average Household Size for Families and Non-Families by Age of Housing Stock and Type of Dwelling, 1996, 2006

1996 Census	PPH Family Households			PPH Non-Family Households		
Age of Housing Stock	Houses & Low-Rises	Row/ Townhouses	Apts 5+ Storeys	Houses & Low-Rises	Row/ Townhouses	Apts 5+ Storeys
Before 1946	3.26	3.46	3.02	1.32	1.53	1.15
1946-1960	3.18	3.90	3.02	1.26	1.52	1.15
1961-1970	3.42	3.93	3.07	1.31	1.56	1.18
1971-1980	3.79	3.80	3.16	1.35	1.53	1.17
1981-1990	4.08	3.78	2.87	1.42	1.63	1.19
1991-1995	3.82	3.58	2.88	1.22	1.29	1.15
Total	3.40	3.78	3.05	1.30	1.54	1.17
2006 Census	**PPH Family Households**			**PPH Non-Family Households**		
Age of Housing Stock	Houses & Low-Rises	Row/ Townhouses	Apts 5+ Storeys	Houses & Low-Rises	Row/ Townhouses	Apts 5+ Storeys
Before 1946	3.11	3.12	3.21	1.22	1.30	1.13
1946-1960	3.17	3.83	3.09	1.18	1.24	1.13
1961-1970	3.32	3.72	3.11	1.20	1.39	1.15
1971-1980	3.56	3.65	3.09	1.27	1.33	1.15
1981-1990	3.81	3.74	2.97	1.28	1.35	1.14
1991-1995	3.82	3.52	2.89	1.25	1.39	1.12
1996-2000	3.80	3.51	2.72	1.22	1.29	1.15
2001-2006	3.82	3.29	2.57	1.24	1.25	1.13
Total	3.33	3.56	3.00	1.22	1.31	1.14

Note: Numbers in "green" indicate where the average PPH has increased for same dwelling type and period of construction from between 1996 and 2006. Numbers in "red" indicate where the average PPH has decreased between 1996 and 2006.

High-rise apartments show a somewhat different trend. Average PPH has increased in Toronto's oldest high-rise units built before 1971. The average household size is markedly lower in newer high-rise apartments built since 1996 than in older high-rise units, averaging 1.79 persons per household as compared with an average of 2.11 PPH across all high-rise housing stock in the city. This highlights the smaller-sized condominium apartments which have come onto the market over the decade.

Average PPH by Household Type and Period of Construction

Comparing average household size by household type in 1996 and again in 2006 reveals some interesting trends (see Table 12). Family households saw their average size decline between 1996 and 2006 in the stock of houses, low rise apartments and townhouses. Also, family household size is somewhat smaller in the newer housing stock. The average household size of families in the older high rise stock is increasing, in part reflecting the pattern that the older rental apartment stock continues to be a logical choice for many immigrant families. Insofar as the overall PPH in the older high-rise units has also risen, and the City has added more family households than non-family households over the decade (per Table 4), this has more than offset the comparatively small size of non-family households in this stock. Meanwhile, family household size is significantly smaller in the newer high-rise apartments, again reflecting the market trend to smaller units.

The average size of non-family households has declined, even in the older (predominantly rental) high-rise stock. The overall declines are very small. Non-family household size in the newer high-rise stock is about the same as that found in the older high-rise stock, the average household sizes have changed only slightly between 1996 and 2006, and, the average household size is beginning to rise in low-rise and ground-related housing.

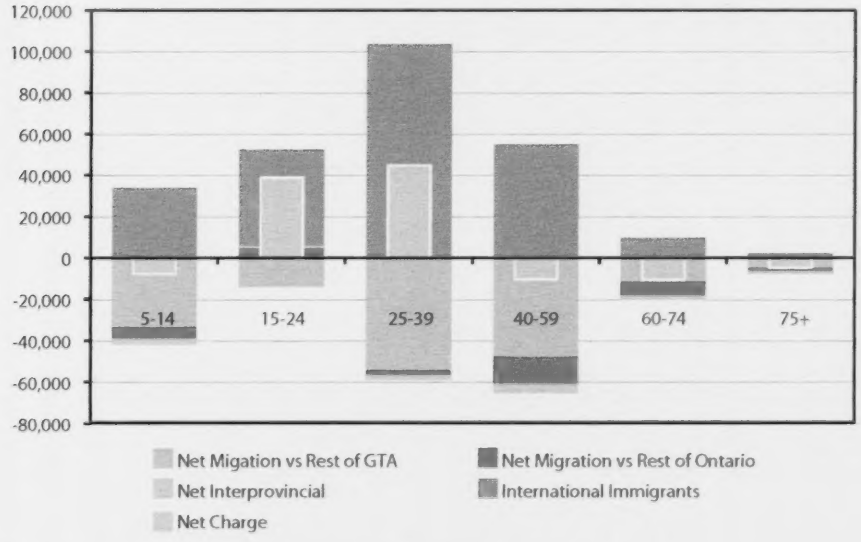
Migration

There is a continuous stream of people entering and leaving the city annually, creating an additional demand for housing. Toronto is one of the major urban centres of Canada and attracts people from around the world to its employment and educational opportunities, to participate in its diversity and multicultural life and to enjoy the many amenities the City has to offer. Within the larger region, the City attracts young people relocating from the broader region or rest of the country. In turn, these migrants bring with them an added demand for housing. International migrants create a continuous demand for rental housing in particular since many arrive with limited resources and typically choose to rent until they become established. Between 2001 and 2006, Toronto received 251,400 immigrants. The largest group of these were aged 25 to 39 years.

There has been considerable migration between the City and the rest of the GTA. Between 2001 and 2006, a total of 227,030 people moved from Toronto to one of the four surrounding GTA Regions, while 61,305 people came to Toronto from the rest of the GTA for a net loss to the region of 165,725. The largest net outflow was comprised of those aged 25 to 39 years, followed by those aged 40 to 59 years (see Figure 16). Young children and adults under the age of 25 years accounted for about 28% of net migration to the rest of the GTA. This suggests that some family households with young children are among those leaving Toronto, in search of affordable ground-related housing. Meanwhile, those who leave the City sometimes free up more expensive ownership housing, available to those seeking to "move up".

Net migration to the City over the decade was +51,125. *The arrival of international migrants, the influx of young singles from the GTA regions, and the movement of families to the rest of the GTA, have been the dominant trends in migration for the last few decades. These trends are expected to continue.*

Figure 16: Net Migration by Age Group, 2001-2006



Note: Estimates for emigration and net temporary emigration are not included.

Affordability

Housing affordability is critical to understanding trends in housing occupancy. In Toronto, tenant income growth has not kept pace with the cost of the housing for renter households between 1996 and 2006.

Between 1995 and 2005, the average price of housing (in constant 1995 dollars) increased 36% from $215,176 to $292,589. During this time, median household income for owners grew by only 1%. Insofar as interest rates also declined over this period, the average house payment to income ratio fell slightly from 27.5% in 1995 to 26.7% in 2005 (see Table C.1 in the Appendix). As a result, overall affordability for owner households remained fairly stable over the decade.

For renter households, housing affordability was more of an issue. Both average monthly rents and median household income fluctuated over the decade. Average rents rose from $729 a month in 1995 to $825 in 2000, then dropped to $788 a month in 2005 (in constant 1995 dollars), resulting in an 8% increase overall. From 1995 to 2000, median household incomes of renters rose by 12.3%; however, the gain was short-lived. By the end of the 1995-2005 decade, median income had grown by only 1% while the rent-to-income ratio increased from 30.6% in 1995 to 32.7% in 2006. Over the decade, housing became less affordable for renter households.

Affordability pressures contribute to demand for smaller units and rental housing. Affordability concerns apply both to owners and renters. However owners with mortgages are ultimately contributing to their home equity and wealth. Affordability pressures are also indicative of other issues since the more a household spends on its housing, the less income is available for other necessities.[5] In 2006, 47.0% of renter households were spending 30% or more of household income on housing costs as compared to 27.7% of owners, and did so based on a median income half that of owners. Limited supply also contributes to affordability pressures. The Federation of Canadian Municipalities recently observed of national trends that "Although tenants make up one-third of all households, rental construction over the past 15 years has accounted for only 10% of all housing starts. Low supply creates constraints and places upward pressure on rents."[6]

Tenure

Between 1996 and 2006, demand for ownership dwellings increased by over 100,000 units and for households in most age groups (see Table 13). High-rise condominium units have been the predominant form of new construction over the decade, and correspondingly, ownership has increased substantially in high-rise apartments especially among the younger age groups. The number of households at all ages living in high-rises more than doubled in the 10-year period except for those aged 60 to 74 years. Meanwhile, the number of owned row and townhouse units increased by over 13,000.

Demand for all types of rented dwellings varied over the decade, generally declining for those between the ages of 15 and 39 years of age, while occupancy increased for those 40 years of age and over, especially among households 75 years of age or older (see Figure 17 and Table D.1 in the Appendix). This reflects the aging of the population, a decline in the number of occupied rented units and the increased supply of condominium apartments. "Aging households will support continued growth in condominium markets. Seniors have higher rates of condominium ownership than any other age group, and those rates have been rising".[7]

Decline in rental housing stock continues to be a source of concern in Toronto as well as across Canada. The Federation of Canadian Municipalities observed[8]:

> A decade-long home-buying, condo-building boom has pushed land prices so high that new rental construction has been crowded out. One-third of Canadians are renters, yet rental housing has accounted for just 10 per cent of new residential construction over the past 15 years. Due to the demolition and conversion of rental properties, for the first time the number of rental units across Canada actually decreased between 2001 and 2006.

Toronto has seen no net increase in the supply of primary rental housing units from 1996 to 2010[9]. Meanwhile, the demand for rental apartments has remained strong. CMHC vacancy rates for purpose-built rental apartments averaged under 1% between 1996 and 2001, peaked at 4.3% in 2004, and has decreased to just 1.4% in 2011[10].

This demand for rental housing is unlikely to be fully addressed in the near future. Development proposals received by the City over the five years between July 2006 and June 2011 and still considered active contain just 13,916 rental units out of 120,062 units in total, or 11.6% of the potential near-term supply. Insofar as some of

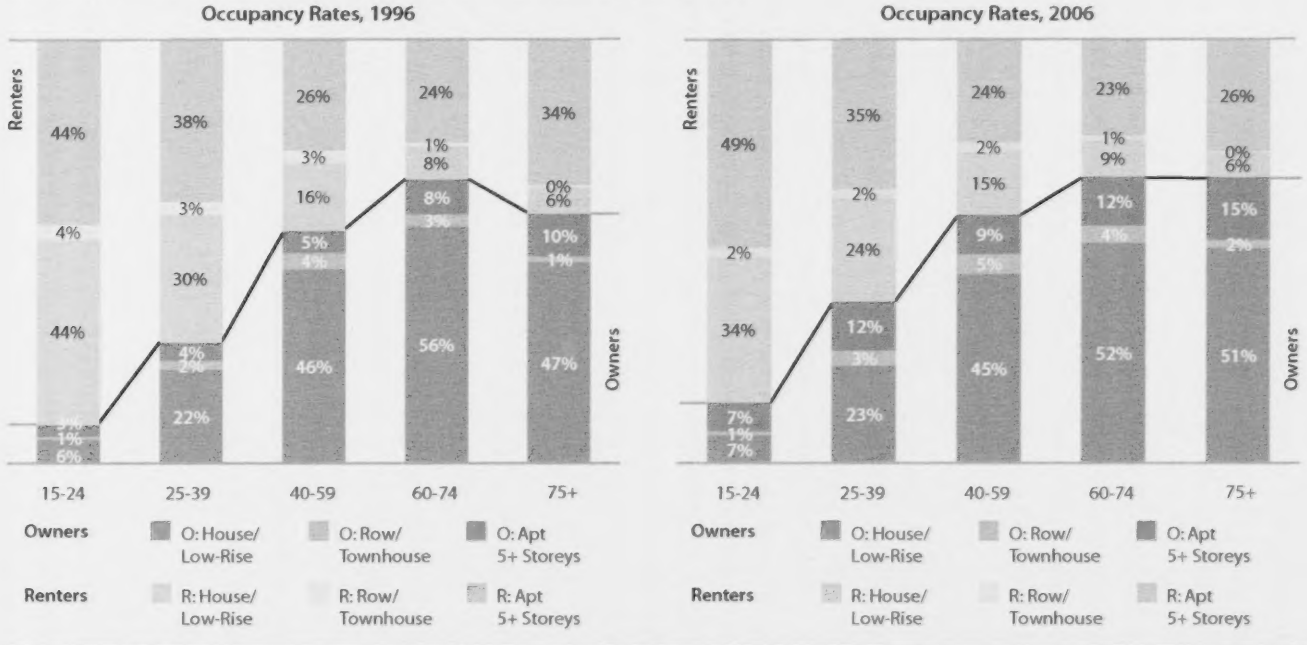
[5] For more information, see Toronto City Planning, *Perspectives on Housing Affordability*, July 2006.
[6] Federation of Canadian Municipalities 2011 *The Housing Market and Canada's Economic Recovery*, p. 7.
[7] CMHC 2011 *Canadian Housing Observer*, p 62.
[8] Federation of Canadian Municipalities. *More rental housing needed to protect jobs and economy - Federal Government Must Lower Rental Investment Barriers, says FCM report*, January 31, 2012, updated February 2, 2012, http://www.fcm.ca/home/media/news-releases/2012/more-rental-housing-needed-to-protect-jobs-and-economy-federal-government-must-lower-rental-investment-barriers-says-fcm-report.htm, last accessed March 20, 2012.
[9] CMHC Annual Rental Market Survey and Toronto City Planning, with special data requests to CMHC. Total primary rental housing supply: 350,861 units in 1996; 350,672 units in 2010 (preliminary figure subject to adjustment).
[10] CMHC Annual Rental Market Survey.

Table 13: Households by Tenure, Age of PHM and Dwelling Type

Owner Households									
	1996			2006			1996-2006		
Age	House & Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House & Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House & Low-Rise	Row/ Townhouse	Apartment 5+ Storeys
15-24	1,605	210	770	2,025	290	2,110	420	80	1,340
25-39	65,665	6,505	12,175	60,460	9,105	30,275	-5,205	2,600	18,100
40-59	150,260	12,095	17,465	183,670	19,405	38,335	33,410	7,310	20,870
60-74	97,555	4,850	14,285	87,620	6,915	19,510	-9,935	2,065	5,225
75+	36,605	1,050	7,860	54,780	2,025	15,925	18,175	975	8,065
Total	351,690	24,710	52,555	388,555	37,740	106,155	36,865	13,030	53,600
Share	82%	6%	12%	73%	7%	20%	-9%	+1%	+8%
% Change vs. 1996							+10%	+53%	+102%
Renter Households									
	1996			2006			1996-2006		
Age	House & Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House & Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House & Low-Rise	Row/ Townhouse	Apartment 5+ Storeys
15-24	12,465	1,000	12,400	10,635	740	15,155	-1,830	-260	2,755
25-39	90,120	9,115	113,290	63,960	5,465	92,180	-26,160	-3,650	-21,110
40-59	52,410	9,605	85,220	61,170	8,990	99,390	8,760	-615	14,170
60-74	13,630	1,710	42,005	14,470	1,790	37,940	840	80	-4,065
75+	4,865	285	26,460	6,245	415	28,230	1,380	130	1,770
Total	173,490	21,715	279,375	156,480	17,400	272,895	-17,010	-4,315	-6,480
Share	37%	5%	59%	35%	4%	61%	-2%	-1%	+2%
% Change vs. 1996							-10%	-20%	-2%

Note: These figures represent the occupancy status of households as reported through the Census, thus show households renting condominium units as renters.

Figure 17: Occupancy Rates by Age of PHM, Tenure and Dwelling Type



the proposed condominium units are likely to also be rented, these potential rental units should also be considered. According to CMHC, 23.6% of the condominium units in the City were in rental in October 2011.[11] If this same proportion held true for the potential supply of 89,613 condominium units, this would represent a further 21,179 units available for rent or 17.6% of the potential near-term supply. Thus in total, 35,095 additional units of the potential near-term supply might be available for rent, or 29.2% of the potential units. This compares unfavourably with a current rental demand that represents 46% of all households in 2006, suggesting a growing mismatch between the demand for rental housing and the potential supply.

What will the future hold?

Trends and Prospects

Demographic factors are the foundation on which much of housing demand rests. Growth of the housing stock moves in tandem with household formation. For sustained household growth to occur, the housing stock must expand to provide the required living space. Economic conditions and social forces can both influence the rate of household formation, but population growth is the driving force.[12]

The *Growth Plan for the Greater Golden Horseshoe* anticipates that Toronto's population will increase from 2,463,000 people in 1996 to a forecasted 3,080,000 people by 2031. At the same time, the population will continue to age even as new immigrants continue to arrive. As a result, Toronto's age profile will change dramatically as the Baby Boomer 'wave' composed of households lead by people who were 40 to 59 years of age in 2006 becomes a wave of 'senior' households followed by a smaller wave of their children in their late teens and twenties. Consequently, the cyclical demands for various types of housing will continue over the coming years.

Housing demand shifted between 1996 and 2006, in response to changing household composition: households have become smaller, couples are having fewer children, older households are aging in place, more individuals are living alone. The "echo" generation (children of the Baby Boomers) have remained in their familial home longer and, once they leave home, may be living alone or sharing accommodation, as well as delaying having children longer than their parents. At the same time, affordability continues to be an issue. Renters' housing affordability has declined while that of owners has remained steady. On the supply side, high-rise condominium development has outpaced all other forms of construction. Looking ahead, it appears unlikely that these trends will change significantly in the near future. Thus, demand will remain high for ownership housing in low-rise buildings by older households and in high-rise buildings by young and middle-aged households, while purpose-built rental housing is once again in short supply.

These trends in population growth and overall aging have implications for future demand for ground-related and low-rise housing. These units, largely occupied by older households today will eventually be replaced by the post-Boomer generation of households who are just starting to enter their house-buying years. But, unlike their predecessors who entered the buying market in the 1970s, they will face new and different economic conditions. If they can afford the available ground-related housing, demand will remain high, if not, demand will slow and house prices will soften, offset by the current low interest rates and new demand through international in-migration. A key factor is the timing of the turnover and availability of different types of housing. The extent to which the current older occupants of single-family housing age in place, or the pace in which they shift to other housing choices, will affect the availability of existing houses to younger households.

Overall, average household size has declined, but not uniformly and not in all types of housing. When examined by household type, structure type and the age of the housing, some interesting observations emerge. Toronto remains a home for families. While family household size has declined in low-rise and ground-related stock, families tend to be larger in the newer housing stock built since 1980. Family size has also been rising in older high-rise apartments which tend to be larger, and this has more than offset the comparatively small size of non-family households in the newer stock. There are more family households (including those without children) than non-family households in Toronto high-rises, and the number of additional family households that came to call Toronto home over the decade is slightly more than the added non-family households.

If Toronto's population continues to grow as forecasted and the overall average household size continues to decline, more dwelling units will be needed to house Toronto's population than may have been anticipated based on 1996 average household size. Nevertheless, there is a finite limit to how far average household size can decline. Insofar as non-family households in the newer high-rise stock

[11] CMHC *Rental Market Report – Greater Toronto Area*, Fall 2011, Table 4.3.1.
[12] CMHC 2011 *Canadian Housing Observer*, pp. 58-59.

are about the same size as those found in the older high rise stock suggests that the trend of decline for non-family household size is slowing. At the same time, the average sizes of family households in some types of stock are rising including in high-rise apartments. Given the relative stability of the overall distribution of household types, the downward trend in overall average household size may slow or level off.

Future Needs

The City's Official Plan directs the accommodation of population growth by encouraging residential intensification in the Downtown, Centres and mixed use areas along the Avenues. However, housing demand in the years ahead will be heavily influenced by the housing choices of the large cluster of Baby Boomers as they become "empty nesters" and begin retirement. Given the general affluence of this age group, housing demand will depend on the lifestyles they adopt as retirees and whether they choose to leave their houses for condominium units and/or retirement communities or choose to age in place.

Other key factors are the vitality of the regional economy, the arrival of recent immigrants and migration rates between the City and the surrounding region. To manage Toronto's growth and diversity, the City is committed to providing and maintaining a full range of housing in terms of form, tenure and affordability.

Continuing demand for primary rental housing and persistently low rental vacancy rates indicate the importance of the existing stock in serving Toronto's needs. The City's Official Plan Housing policies and the Rental Housing Demolition and Conversion Control By-law are designed to protect against rental losses resulting from demolition or conversion to other uses.

Despite the recent trend toward high-rise apartment condominium units, demand for all types of housing in Toronto will remain strong. The increased supply of smaller units with fewer bedrooms as a share of all development suggests there will be challenges in ensuring a supply of larger units to accommodate all types of households including families with children. There will always be a need for a range of housing by type, size and tenure to match Toronto's population growth and diversity.

Problems Comparing Dwelling Types Between the 2001 and 2006 Censuses

A comparison of the 2006 Census data versus the 2001 data shows large changes in the number of units by dwelling type in the City of Toronto. According to the 2006 Census, the number of single and semi-detached dwellings in the City fell by 55,600 units, while the number of apartments or flats in duplexes and the number of apartment units in buildings under 5 storeys increased by 66,400 units. These changes are not consistent with the number of housing completions and demolition permits over the same time period. This discrepancy is likely due to a change in how the data was collected. Statistics Canada advised that in 2006, while the Census definitions did not change, the instructions to their Enumerators did change. This resulted in the reclassification of ground-related dwellings that was different from the way the data was collected in 2001 or 1996. Any change in the classification of dwelling units affects our understanding of housing demand. To effectively deal with the re-classification issue, the Census dwelling structure data types were re-grouped for this Bulletin into three dwelling structure types: houses and low-rise units; row/townhouses; and apartment units in buildings with 5 or more storeys (see Figures A.1 and A.2, and Tables A.1 and A.2). Houses and low-rise units include single and semi-detached houses, apartments or flats in duplexes, units in apartments with less than 5 storeys and other dwellings such as mobile homes. It is our hypothesis that structures originally built as detached or semi-detached homes which were converted over the years to include multiple units were reclassified in 2006 as "duplexes" or "apartments under 5 storeys".

The 2011 Census and the National Household Survey

Data from the 2011 Census and the new National Household Survey about households, structural types of dwellings, housing, income and shelter costs are not yet available from Statistics Canada. These data are scheduled to be released throughout 2012[13] and 2013[14]. The National Household Survey is a voluntary survey and thus reaches a different set of respondents than the mandatory Census. Statistics Canada has advised that there is a "real risk" that the results of the 2011 National Household Survey may not be comparable to the 2006 Census[15]. As these data are released, we will review them to determine if they are comparable to the 2006 Census results and how the analysis in this bulletin might be extended to 2011.

[13] Statistics Canada (2011) *2011 Census release schedule*, at http://www12.statcan.ca/census-recensement/index-eng.cfm, last modified February 16, 2012, last accessed March 15, 2012.

[14] Statistics Canada (2011) *National Household Survey. NHS Release Schedule*, at http://www12.statcan.gc.ca/nhs-enm/index-eng.cfm, last modified March 2, 2012, last accessed March 15, 2012.

[15] Statistics Canada (2011) *National Household Survey: data quality* at http://www.statcan.gc.ca/survey-enquete/household-menages/nhs-enm-eng.htm, last modified July 5, 2011, last accessed March 15, 2012

Figure A.1: Absolute Change in Dwelling Units 1996-2001 vs 2001-2006

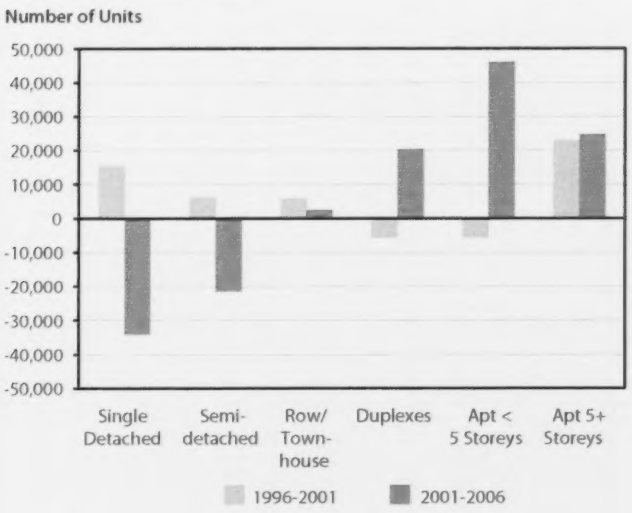


Figure A.2: Absolute Change in Dwelling Units Reclassified, 1996-2001 vs 2001-2006

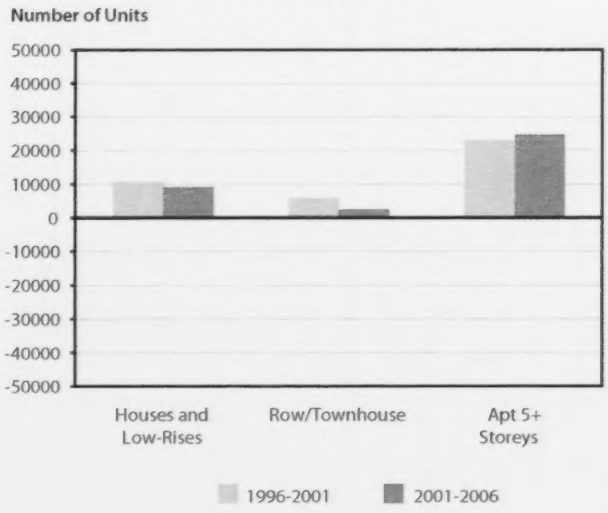


Table A.1: Dwelling Units by Type, 1996, 2001, 2006

	1996		2001		2006		Absolute Change		Percent Change	
Dwelling Type	Dwellings	%	Dwellings	%	Dwellings	%	1996-2001	2001-2006	1996-2001	2001-2006
Single Detached	285,375	31.6	300,925	31.9	266,880	27.3	15,550	-34,045	5.4	-11.3
Semi-detached	84,625	9.4	91,015	9.7	69,465	7.1	6,390	-21,550	7.6	-23.7
Row/Townhouse	46,440	5.1	52,315	5.5	54,685	5.6	5,875	2,370	12.7	4.5
Duplexes	29,440	3.3	23,795	2.5	44,100	4.5	-5,645	20,305	-19.2	85.3
Apt < 5 Storeys	122,545	13.6	116,915	12.4	162,980	16.6	-5,630	46,065	-4.6	39.4
Apt 5+ Storeys	331,930	36.7	354,995	37.6	379,695	38.8	23,065	24,700	6.9	7.0
Other Dwellings	3,230	0.4	3,115	0.3	1,505	0.2	-115	-1,610	-3.6	-51.7
Total	903,585	100.0	943,075	100.0	979,310	100.0	39,490	36,235	4.4	3.8

Figure A.2: Dwelling Units by Type, Reclassified, 1996, 2001, 2006

	1996		2001		2006		Absolute Change			Percentage Change		
Dwelling Type	Dwellings	%	Dwellings	%	Dwellings	%	1996-2001	2001-2006	1996-2006	1996-2001	2001-2006	1996-2006
Houses and Low-Rises	525,215	58.1	535,765	56.8	544,930	55.6	10,550	9,165	19,715	2.0	1.7	3.8
Row/ Townhouses	46,440	5.1	52,315	5.5	54,685	5.6	5,875	2,370	8,245	12.7	4.5	17.8
Apts 5+ Storeys	331,930	36.7	354,995	37.6	379,695	38.8	23,065	24,700	47,765	6.9	7.0	14.4
Total	903,585	100.0	943,075	100.0	979,310	100.0	39,490	36,235	75,725	4.4	3.8	8.4

TABLE B.1: Toronto Population by Age Group, 1996, 2001, 2006

	Population			Percentage			Percent Change			Change
Age	1996	2001	2006	1996	2001	2006	1996-2001	2001-2006	1996-2006	1996-2006
0-4	156,285	143,510	134,980	6.6	5.8	5.4	-8.2	-5.9	-13.6	-21,305
5-9	138,055	149,635	133,595	5.8	6.0	5.3	8.4	-10.7	-3.2	-4,460
10-14	131,135	140,675	141,045	5.5	5.7	5.6	7.3	0.3	7.6	9,910
15-19	133,720	143,275	146,205	5.6	5.8	5.8	7.1	2.0	9.3	12,485
20-24	162,855	165,140	172,450	6.8	6.7	6.9	1.4	4.4	5.9	9,595
25-29	211,725	196,470	190,255	8.9	7.9	7.6	-7.2	-3.2	-10.1	-21,470
30-34	234,615	216,550	195,670	9.8	8.7	7.8	-7.7	-9.6	-16.6	-38,945
35-39	209,515	226,040	203,020	8.8	9.1	8.1	7.9	-10.2	-3.1	-6,495
40-44	179,930	203,820	212,595	7.5	8.2	8.5	13.3	4.3	18.2	32,665
45-49	164,195	178,360	193,985	6.9	7.2	7.7	8.6	8.8	18.1	29,790
50-54	125,555	159,110	168,440	5.3	6.4	6.7	26.7	5.9	34.2	42,885
55-59	110,775	117,975	148,120	4.6	4.8	5.9	6.5	25.6	33.7	37,345
60-64	107,205	103,105	109,465	4.5	4.2	4.4	-3.8	6.2	2.1	2,260
65-69	102,145	96,435	93,830	4.3	3.9	3.7	-5.6	-2.7	-8.1	-8,315
70-74	88,265	88,745	85,165	3.7	3.6	3.4	0.5	-4.0	-3.5	-3,100
75-79	58,340	72,980	74,900	2.4	2.9	3.0	25.1	2.6	28.4	16,560
80-84	39,675	43,420	56,450	1.7	1.7	2.3	9.4	30.0	42.3	16,775
85+	31,425	36,265	43,100	1.3	1.5	1.7	15.4	18.8	37.2	11,675
Total	2,385,415	2,481,510	2,503,270	100.0	100.0	100.0	4.0	0.9	4.9	117,855

TABLE B.2: Toronto Primary Household Maintainers by Age Group, 1996, 2001, 2006

	Households			Percentage			Percent Change		
Age	1996	2001	2006	1996	2001	2006	1996-2001	2001-2006	1996-2006
15-19	2,695	2,395	2,955	0.30	0.25	0.30	-11.1	23.4	9.6
20-24	25,755	24,540	28,020	2.85	2.60	2.86	-4.7	14.2	8.8
25-29	75,195	67,710	66,930	8.32	7.18	6.83	-10.0	-1.2	-11.0
30-34	110,890	99,005	90,375	12.27	10.50	9.23	-10.7	-8.7	-18.5
35-39	110,785	117,655	104,220	12.26	12.48	10.64	6.2	-11.4	-5.9
40-44	99,115	111,300	117,650	10.97	11.80	12.01	12.3	5.7	18.7
45-49	93,385	100,590	110,010	10.34	10.67	11.23	7.7	9.4	17.8
50-54	72,480	90,665	97,360	8.02	9.61	9.94	25.1	7.4	34.3
55-59	62,075	67,595	86,010	6.87	7.17	8.78	8.9	27.2	38.6
60-64	60,280	58,130	63,760	6.67	6.16	6.51	-3.6	9.7	5.8
65-69	60,400	56,750	54,350	6.68	6.02	5.55	-6.0	-4.2	-10.0
70-74	53,355	53,430	50,135	5.91	5.67	5.12	0.1	-6.2	-6.0
75-79	37,235	47,175	48,460	4.12	5.00	4.95	26.7	2.7	30.1
80-84	24,350	27,105	35,930	2.69	2.87	3.67	11.3	32.6	47.6
85+	15,540	18,965	23,250	1.72	2.01	2.37	22.0	22.6	49.6
Total	903,535	943,010	979,415	100.00	100.00	100.00	4.4	3.9	8.4

TABLE C1: Shelter Costs and Median Household Income, 1995 to 2005

Tenure	1995	2000	2005
Owner Households			
Average Price of Housing Current $[1]	215,176	266,899	361,055
Average Price of Housing Constant 1995 $	215,176	242,856	292,589
Index, 1995 = 100[2]	100.0	112.9	136.0
Median Owner Hhd Income Current $[3]	59,487	68,973	74,290
Median Owner Hhd Income Constant 1995 $	59,487	62,760	60,203
Index, 1995 = 100[2]	100.0	105.5	101.2
Monthly Payment for Average House Price $[4]	1,363	1,464	1,651
Monthly Payment for Average House Price 1995 $	1,363	1,332	1,338
Index, 1995 = 100[2]	100.0	97.7	98.2
Average House Payment to Income Ratio	27.5	25.5	26.7
Renter Households			
Average Monthly Rent, CMHC Rents[5]	729	907	972
Average Monthly Rent Constant 1995 $	729	825	788
Index, 1995 = 100[2]	100.0	113.2	108.0
Median Renter Hhd Income Current $[3]	28,587	35,271	35,624
Median Renter Hhd Income Constant 1995 $	28,587	32,094	28,869
Index, 1995 = 100[2]	100.0	112.3	101.0
Rent to Income Ratio, CMHC Rents	30.6	30.9	32.7

[1] Refers to Sinzgle-Family Dwelling sales reported by the Toronto Real Estate Board (TREB). Single-Family Dwelling structures include freehold houses (detached, semi-detached, row/townhouses, link housing), condominium apartments and townhouses, and detached condominiums and co-operative apartments.

[2] Based on the Consumer Price Index, Statistics Canada.

[3] Median owner and rental household income is as reported in results of the Census of Canada per the 20% survey of all households via now-discontinued long-form 2B questionnaire.

[4] As reported by TREB. Assumes a 25% down payment, a 25-year mortgage term and a 5-year fixed interest rate.

[5] Average rents are based on the Primary Rental Market as defined by CMHC, 55% of all rental units. This includes private rental housing that is privately owned in buildings of 3 or more units, and was generally purpose-built for rental. It also includes rented condominium units where more than 50% of the units are rented out and the owner maintains a rental office on-site. It excludes 45% of all units in the Rental Market Universe, specifically Assisted Rental units, Condominium buildings of which less than 50% of the units are rented, and other rental units such as basement apartments, rented rooms and flats in houses.

Note: Median household income is the point in the income distribution where one half of the households have higher incomes than the other half. It is the best overall indicator of the income distribution because the median is not skewed by very high or low values.

Data Sources: CMHC *Rental Market Reports*; Toronto Real Estate Board *MarketWatch* reports; custom tabulations from the 1996, 2001 and 2006 Censuses, Statistics Canada.

Table D.1: Households and Occupancy Rates by Age of PHM, Tenure and Dwelling Type

Households by Age of PHM, Tenure and Dwelling Type

1996	Owners			Renters			All
Age	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	Households
15-24	1,605	210	770	12,465	1,000	12,400	28,450
25-39	65,665	6,505	12,175	90,120	9,115	113,290	296,870
40-59	150,260	12,095	17,465	52,410	9,605	85,220	327,055
60-74	97,555	4,850	14,285	13,630	1,710	42,005	174,035
75+	36,605	1,050	7,860	4,865	285	26,460	77,125
All Units	351,690	24,710	52,555	173,490	21,715	279,375	903,535
2006	**Owners**			**Renters**			**All**
Age	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	Households
15-24	2,025	290	2,110	10,635	740	15,155	30,955
25-39	60,460	9,105	30,275	63,960	5,465	92,180	261,445
40-59	183,670	19,405	38,335	61,170	8,990	99,390	410,960
60-74	87,620	6,915	19,510	14,470	1,790	37,940	168,245
75+	54,780	2,025	15,925	6,245	415	28,230	107,620
All Units	388,555	37,740	106,155	156,480	17,400	272,895	979,225

Occupancy Rates by Age of PHM, Tenure and Dwelling Type

1996	Owners			Renters			All
Age	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	Households
15-24	6%	1%	3%	44%	4%	44%	100%
25-39	22%	2%	4%	30%	3%	38%	100%
40-59	46%	4%	5%	16%	3%	26%	100%
60-74	56%	3%	8%	8%	1%	24%	100%
75+	47%	1%	10%	6%	0%	34%	100%
All Units	39%	3%	6%	19%	2%	31%	100%
2006	**Owners**			**Renters**			**All**
Age	House/ Low-Rise	Row/ Town-house	Apartment 5+ Storeys	House/ Low-Rise	Row/ Townhouse	Apartment 5+ Storeys	Households
15-24	7%	1%	7%	34%	2%	49%	100%
25-39	23%	3%	12%	24%	2%	35%	100%
40-59	45%	5%	9%	15%	2%	24%	100%
60-74	52%	4%	12%	9%	1%	23%	100%
75+	51%	2%	15%	6%	0%	26%	100%
All Units	40%	4%	11%	16%	2%	28%	100%

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